GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2045
ANSWERED ON:27.07.2017
Reduction in User Development Fee
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Will the Minister of CIVIL AVIATION be pleased to state:

(a): whether the air passengers are required to pay different types of higher user charges while travelling on domestic as well as international flights from metro airports of the country and if so, the details thereof and the reasons therefor;

(b): whether the Directorate General of Civil Aviation (DGCA) has recently decided to slash the User Development Fee (UDF) on domestic as well international flights from Indira Gandhi International airport;

(c): if so, the details thereof and the response of the Delhi International Airport Limited (DIAL) in this regard;

(d): whether the DGCA also proposes to reduce user charges in other metro airports of the country and if so, the details thereof;

(e): the steps taken/being taken by the Government to make air travel cheaper and passenger friendly; and

(f): whether the Government has new schemes for modernization of the airports including metro airports and if so, the details thereof?

Answer

The Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): The airport charges are allowed to airports operators as means to provide fair rate of return on the investment made by the airport developer. Since huge investments are made by the developers while construction of the airport, the charges are comparatively higher during the initial period of the airport commencement. However, the charges gets substantially reduced once the investment for the development is recovered.

(b) & (c): In compliance of the Supreme Court order dated 03.07.2017 in the matter of Tariff for the Second Control period (2014-2019) in respect of IGI Airport, Delhi, DGCA issued Aeronautical Information Circular (AIC) on 07.07.2017 for implementing the Tariff Order No. 40/2015-16 issued by Airports Economic Regulatory Authority (AERA). With the implementation of above Order of AERA, the aeronautical charges at Delhi airport including User Development Fee (UDF) has substantially reduced.;

(d) & (e): Government of India has established Airports Economic Regulatory Authority (AERA) in 2009 under an Act of Parliament viz. AERA Act, 2008 to determine the tariffs in respect of aeronautical services provided at major airports in the country. AERA determines the aeronautical tariff in respect of major airports based on stakeholder consultation. The tariffs are reviewed and revised by AERA every five years considering the investment and expenditure incurred by the airport operator, improving efficiency and viability of the airport with a view to rationalize the charges.;

(f): Upgradation and modernization of airports is an on going process depending upon the traffic potential demands from airline operators, commercial viability, availability of land, funding and requisite clearances etc.The airports operators including Airports Authority of India (AAI) have taken various initiatives to upgrade and modernize their respective airports. Five major airports under Public Private Partnership (PPP) mode i.e. Delhi, Mumbai, Bangalore, Hyderabad and Cochin have undertaken steps to enhance air side and terminal side capacity including construction of new runways, hangar, aprons,taxiways and new terminal etc. AAI has also undertaken development works at its airports depending upon traffic requirement and availability of land.